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Iraq

Status Report

January 20, 2010



Bureau of Near Eastern Affairs
U.S. Department of State

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HIGHLIGHTS



- **AJC Issued a Recommendation to Decertify Candidates from Running in Upcoming Election (*POLITICAL*, page 4)**
- **Iraq Institutes Firm Policies on Sale of Security Forces Uniforms (*SECURITY*, page 9)**
- **Iraq Signs Contracts to Buy 1 Million Barrels of Gasoline (*ECONOMIC*, page 13).**

POLITICAL - Governance & Legislation

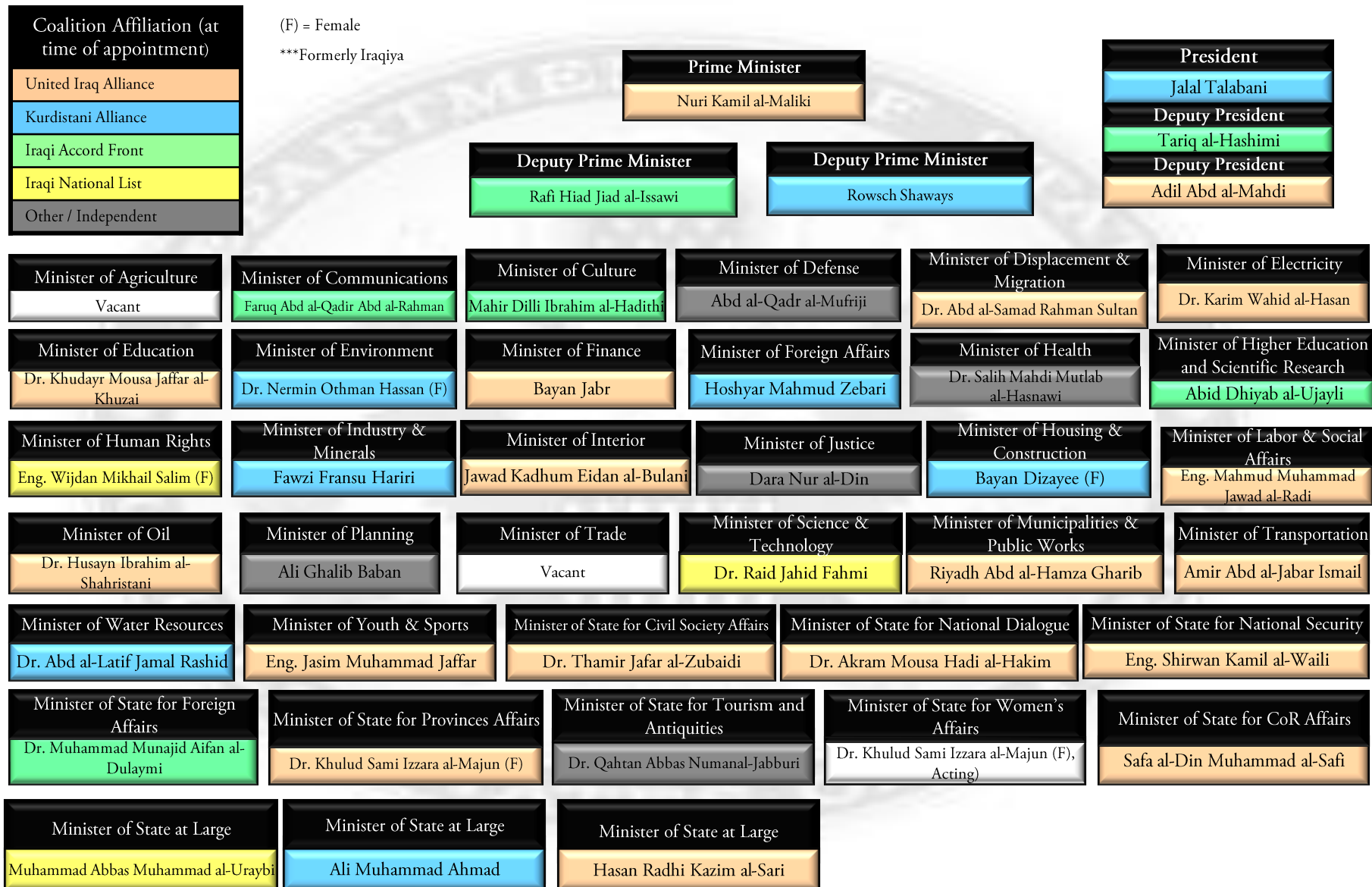


AJC recommends banning candidates from running in upcoming parliamentary elections

AJC Recommends Election Candidate Ban:

- Iraq's Accountability and Justice Commission issued a recommendation to decertify 500 candidates from running in the parliamentary election in March. Among those on list is Salih al-Mutlaq a member of the current Council of Representatives. Iraqi politicians are currently engaged on the issue.

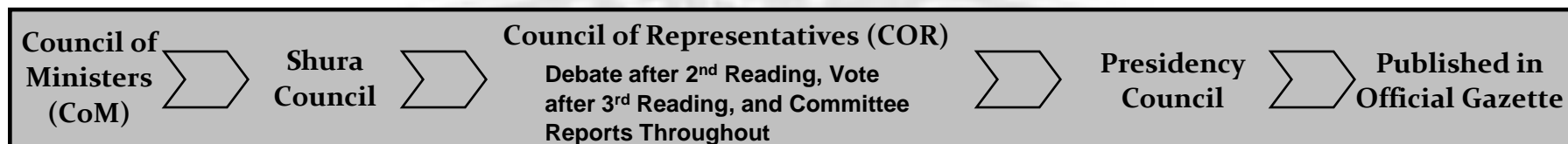
POLITICAL – Government of Iraq



POLITICAL – Key Legislative Issues



Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26, 2008 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **NGO Law:** This law will regulate the operations and funding of Non-Governmental Organizations operating within Iraq. It received its first reading in the Council of Representatives on April 20, 2009.
- **National Elections Law:** The amended election law was approved by the Presidency Council on December 6.

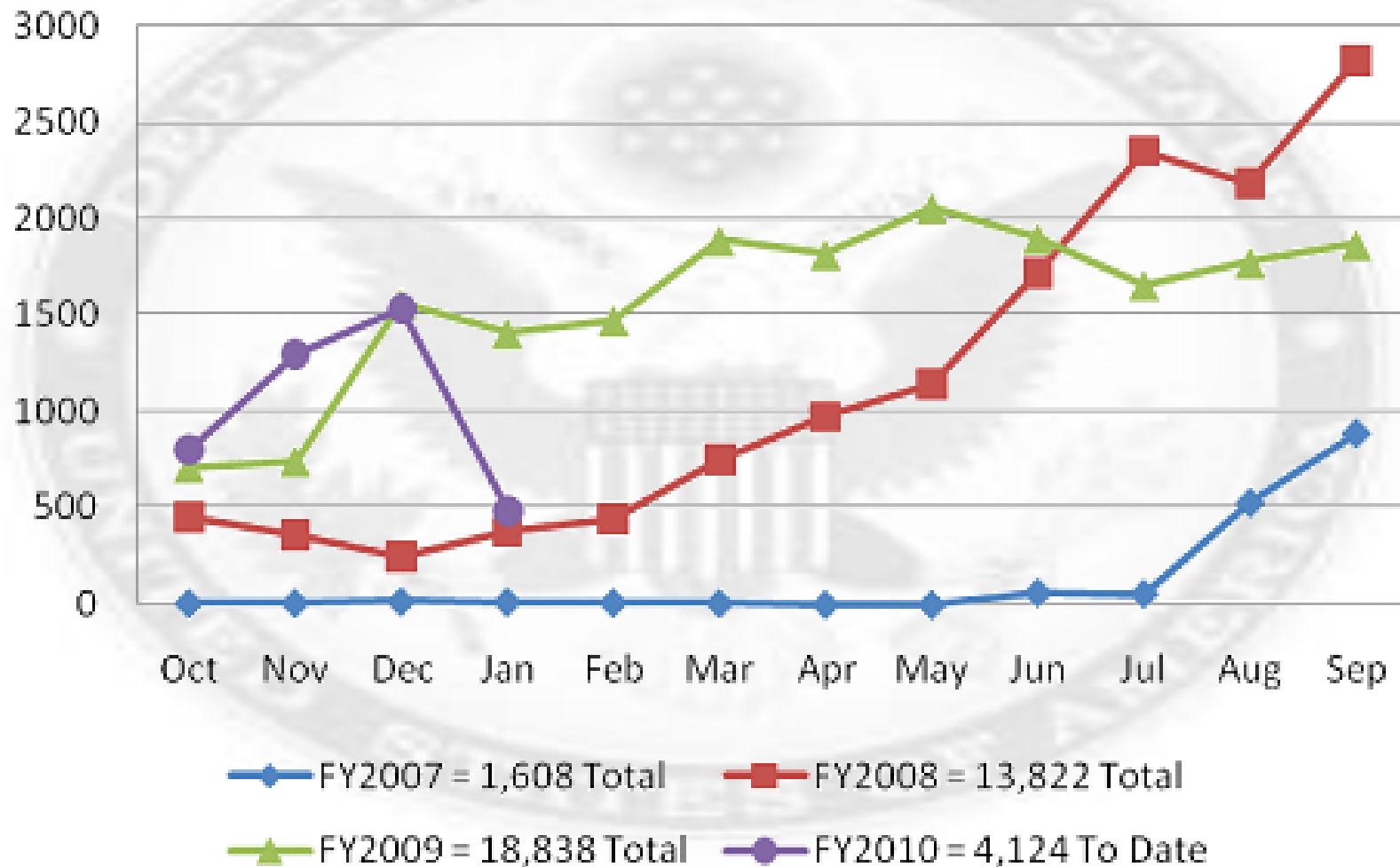
POLITICAL - Refugee Update



- There are approximately 295,000 Iraqi refugees currently registered with UNHCR in neighboring countries. There are likely significant numbers of unregistered refugees as well. UNHCR reports that 1.5 million Iraqis displaced by sectarian violence following the Samarra Mosque bombing of February 2006 remain internally displaced in Iraq.
- In FY09, the State Department's Bureau of Population, Refugees and Migration contributed \$ 303.4 million to international organizations and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.
- Since the program's inception in FY07, 38,392 Iraqi refugees have been admitted for U.S. resettlement. The U.S. admitted 18,838 Iraqi refugees in FY09.
- As of September 2009, a total of 1,606 Special Immigrant Visa (SIVs) have been issued for Iraqi translators and interpreters (and their dependents) since FY07 (under the Section 1059 program).
- As of September 2009, a total of 3,028 SIVs have been issued for Iraqis employed by or on behalf of the U.S. government (and their dependents) since FY08 (under the Section 1244 program).
- Secretary of State Hillary Clinton announced July 24 that the United States was contributing more than \$100 million in new assistance to support the return and reintegration of displaced Iraqis.

POLITICAL - Refugee Update

Iraqi Admissions to the U.S.



SECURITY – Situation Update



GOI and Iraqi Security Forces intensify efforts to combat terror attacks ahead of the national elections

Iraq Institutes Firm Policies on Sale of Security Forces Uniforms:

- The Ministry of Interior (MOI) announced on January 19 that it was issuing stricter policies regarding the sale of Iraqi Police and Security Force uniforms. Clothing shops that would sell the uniforms would now be required to have a certification and clearance from the government. The MOI stated that it was also issuing instructions for clothing shop owners on how to process their orders and deal with customers.

Iraq Reaches Milestone of 50,000 Former SOI Members in Government:

- An estimated 50,000 former Sons of Iraq (SOI) members have been placed in government jobs according to a January 19 statement by Mohammed Salman al-Saadi, chairman of Iraq's Implementation and Follow-up Committee for National Reconciliation. Roughly 10,000 former SOI members have been integrated into the Ministry of Interior's Security Forces. An additional 30,000 former SOI have been dispersed throughout various other ministries. The remaining fifth of the SOI members have been placed with provincial Security Forces. Saadi said that the GOI had placed the former SOI members with government jobs despite the fact that no new positions had been created for other Iraqis last year due to budgeting issues. He added that "This is a major indication of the seriousness the Iraqi government places on the Sons of Iraq."

SECURITY – Situation Update



GOI and Iraqi Security Forces intensify efforts to combat terror attacks ahead of the national elections

Anbar Government Compound Targeted, Killing Seven:

- In Anbar province, seven people were killed when a water-truck, loaded with explosive material, was detonated near a government compound on January 13. An additional six people, including four policemen, were injured in the attack. The government compound housed the local municipal council and the offices of the local police. The attack occurred early in the morning before most people had arrived at work.

ECONOMIC – Oil



Crude Oil Update:

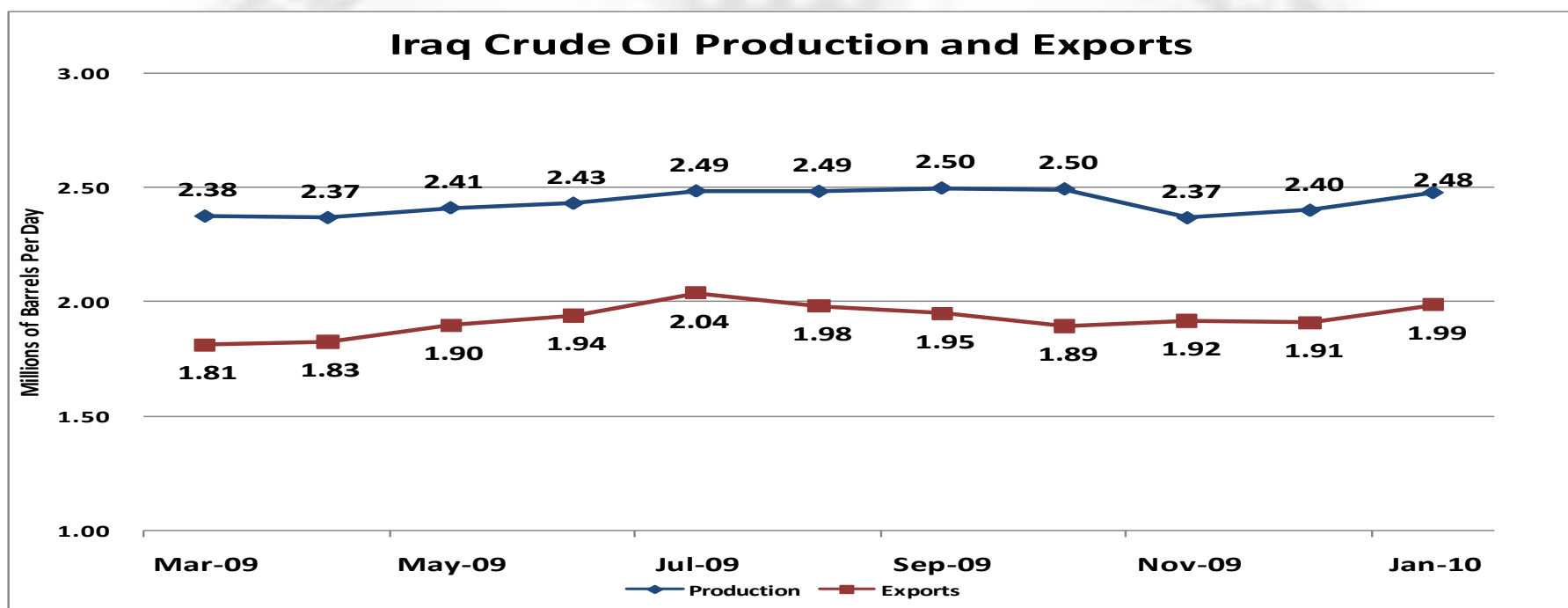
Price averages in world markets closed with the following prices:

Basrah Light at \$76.17 /barrel

Dated Brent at \$77.99/barrel

WTI Cushing at \$80.07/barrel

Oman/Dubai at \$79.28/barrel



Revenue estimates:

2008: \$61.9 Billion

2009: \$39.2 Billion

2010 (ytd): \$2.56 Billion

*Approximate estimate.

ECONOMIC – Oil



Iraq signs contracts to import gasoline

BP and CNPC Pay \$500 Million Signing Fee for Oil Contracts:

- The oil companies BP and CNPC paid a \$500 million signing fee on the contract they signed to develop Iraq's Rumaila oil field. The Iraqi Oil Ministry and the BP-led consortium also agreed to set the baseline production level at Iraq's biggest oil field at 1.066 million barrels per day.

Exxon Mobil and Dutch Shell Agree to Contract Amendments:

- The Exxon Mobil and Royal Dutch Shell consortium has accepted amendments to service contracts made by the Government of Iraq for development of the West Qurna field. "One of these amendments gives the government the right to change the output level from these fields in order to comply with future quotas that the Organization of Petroleum Exporting Countries would impose on Iraq," said one company official. In addition, "all companies need to insure all related people, works and equipment, the company official said, adding that Iraq will impose taxes on imported materials and equipment used to develop these fields, although he didn't say how big these taxes would be."

ECONOMIC – Oil



Iraq signs contracts to import gasoline

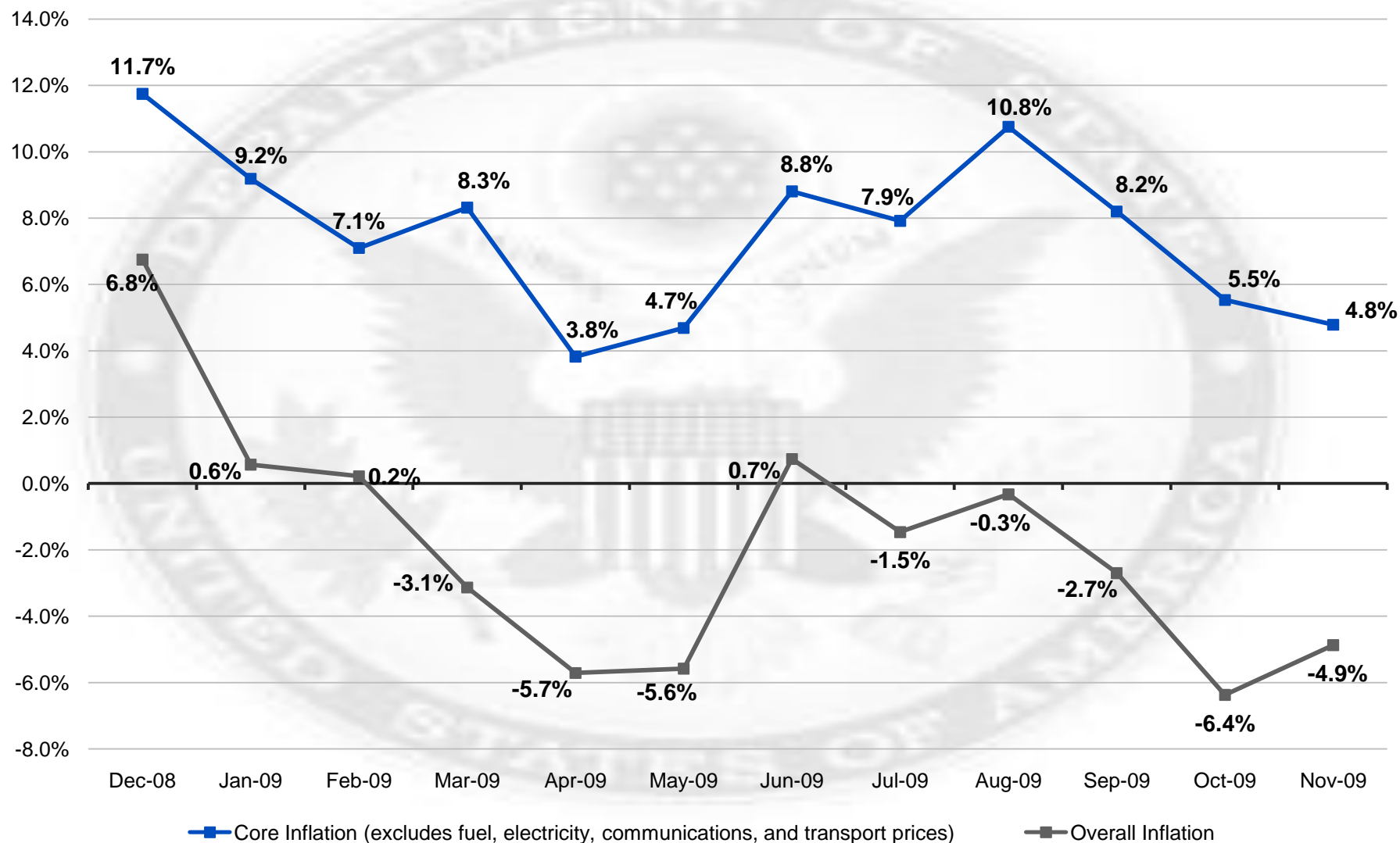
Iraq Signs Contracts to Buy 1 Million Barrels of Gasoline:

- Iraq signed four contracts to buy 1 million barrels of gasoline a month until June. Glencore International AG, Trafigura Beheer BV and International Petroleum Group of Kuwait were among the companies chosen to supply the fuel, according to two traders of Middle East oil products. Iraq consumes more refined products than it has the capacity to produce at its own refineries.

ECONOMIC - Fiscal and Monetary Affairs



Year-on-Year Inflation



ECONOMIC – Fiscal and Monetary Affairs



Economic Indicator	This Week	Last Week	Last Month	Last Year
Iraqi Commercial Bond Sales				
Price (USD)	\$83.31	\$80.48	\$76.56	\$64.50
Yield	7.51%	7.80%	8.36%	10.32%

ECONOMIC – Public Sector



Enrollment in government payment system underway

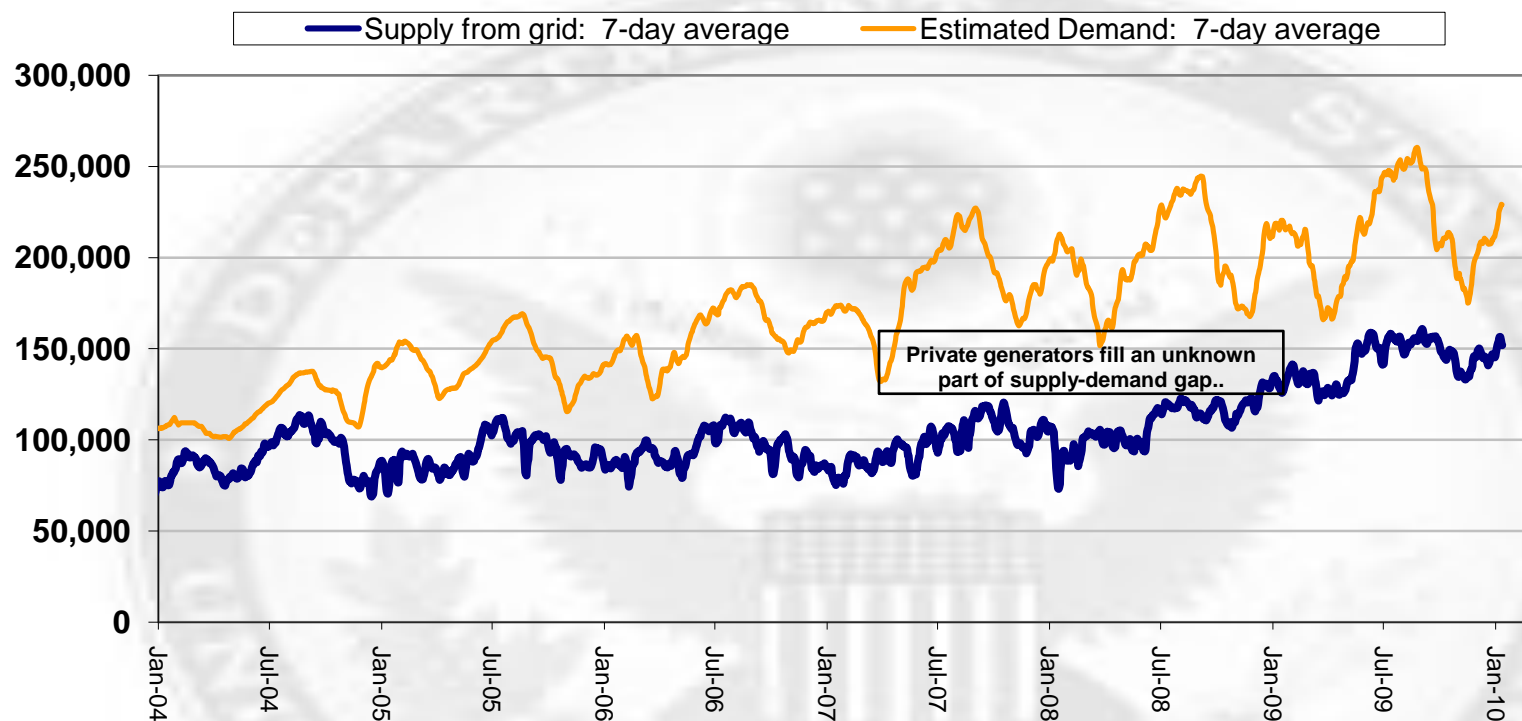
One Million Iraqis Enrolled in Government Payment System:

- **One million Iraqis have been enrolled in the Net 1 payment system of Net 1 UESP Technologies, Inc. The Net 1 system is used by the Government of Iraq to pay government funds to victims of war, government pension payments, and salaries.**

Public Services – Electricity



Daily Electricity Supplied from the Grid and Estimated Demand



- Average daily electricity supply from the grid January 5-11 was 18% above the same period in 2009 and met 66% of estimated demand compared with 60% for the year-earlier period.
- Average daily electricity supply from the grid for 2009 was 31% above 2008 and met 60% of estimated demand compared with 55% for 2008.

Beyond Baghdad



Members of PRT Diwanayah join the Provincial Governor at the opening of the new healthcare center.

Diwanayah

“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”

President Barack Obama

Recent Highlights

On January 3, 2010 PRT Diwanayah joined local provincial leaders to celebrate the opening of a primary healthcare center located in al-Noor village near Sumer, in Diwanayah Province. The 3,552-sq-ft facility cost approximately \$450,000 and is expected to provide much needed healthcare to over 10,000 Iraqis living in al-Noor village. The state-of-the-art clinic has the capability of supplying local Iraqis with basic medical care as well as advanced diagnostic and monitoring capabilities for acute and chronic illnesses. This new center is one of nine health clinics that have been built in Diwanayah and includes a physician's office, two nurse stations, a pharmacy, vaccination room, childcare treatment room, and other specialized capabilities.

Dhi Qar

PRT Dhi Qar hosted a Rule of Law Conference on January 7 at their Mittica Training Center. The event was attended by local representatives from the judiciary, police, and the Human Rights Office and focused on several issues, including the role of the police, investigations, obstacles to rule of law efforts, and the relationship between the judiciary and police. Iraqi participants identified insufficient funding and a weak information-sharing mechanism as the biggest hurdles to establishing effective rule of law in the province. The meeting concluded with a general agreement to hold similar coordinating meetings on a monthly basis.



CONTACT INFORMATION

This brief draws from multiple sources. References are cited on the following pages.

For additional information, please see:

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- Department of State, Section 1227 Report on Iraq
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of Defense, Section 9010 Measuring Stability and Security in Iraq
http://www.defenselink.mil/home/features/Iraq_Reports/index.html

Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov



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- PRT Weekly Summary, January 16, 2010
- Source for President Obama's Quote: http://www.whitehouse.gov/the_press_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/